



NYU Study: Permanent housing for homeless does NOT depress property values

A new study examines the impact on property values of developing residences for disabled and formerly homeless people in New York City, and finds that supportive housing actually increased property value growth within a two block radius. Conducted by New York University's Furman Center for Real Estate and Urban Policy, the study is the first to measure the effect of supportive housing on New York City real estate. Analyzing properties near 123 buildings that provide 7,500 units of housing, it is the largest study of its kind in the nation.

New York University's Furman Center for Real Estate and Urban Policy examined residences built between 1985 and 2003 across a wide array of neighborhoods in an attempt to isolate the impact of supportive housing from other factors that affect property values. The Center's report, "The Impact of Supportive Housing on Surrounding Neighborhoods: Evidence from New York City" was released November 6, 2008.

Key Findings

- Over the first five years following construction, the values of properties within two blocks of a supportive housing building rose three to four per cent more than comparable properties not located near supportive housing.
- The majority of buildings in the sample were located in the higher-density boroughs of Manhattan (49%), the Bronx (25%) and Brooklyn (23%). However, neighborhood density did not affect the relationship between residences and property values, indicating that housing developments have the same benign effect in more sparsely populated neighborhoods.
- While buildings studied range from less than 10 tenants to more than 400, the study found no link between a residence's size and its effect on nearby property values. This finding runs counter to the common perception that larger residences are more likely to affect real estate values nearby.

For the full study visit www.shnny.org.